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## LAMI TOWN COUNCIL

### Annual Report for the Year 2009

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# **LAMI TOWN COUNCIL**



## **ANNUAL REPORT**

(Section 19 – Local Government Act, Cap 125)

**FOR THE YEAR ENDED  
31 DECEMBER, 2009**





25<sup>th</sup> September, 2020

The Honorable Minister  
for Local Government, Housing & Environment  
FFA House  
Gladstone Road  
**SUVA**

Dear Madam,

In accordance with the requirements of Section 19 of the Local Government Act 1972, I have pleasure in presenting, on behalf of the Lami Town Council, the Annual Report and Statement of Accounts for the year ended 31<sup>st</sup> December, 2009.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "Azam Khan".

Azam Khan  
**Chief Executive Officer (Acting)**



# **LAMI TOWN COUNCIL**

## **ANNUAL REPORT 2009**

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# ADMINISTRATION

### ADMINISTRATOR OF THE COUNCIL

The Ministry of Local Government, Urban Development, Housing and Environment appointed Mr Vijendra Prakash as the “Special Administrator” for Lami Town Council.

### CO-OPTED MEMBERS

The Council under the provisions of Section 27(2) Co-opted the following Members into various Committees as follows:

### TRAFFIC, SPORTS & COMMUNITY PROJECTS COMMITTEE

Station Officer, Lami Police Station

### TOWN OF LAMI

Statistics in Brief

Declared Town on 1 March, 1977

Population .....	20,223 including peri-urban (2007 census)
Area .....	680 Hectares
Length of Public Roads .....	31.59Km
UCV of Rateable Land .....	\$41,658,370
Number of Assessments .....	1,143

### COUNCIL MEETING

Meeting of the Council and Standing Committees were held during the year as follows:

Ordinary	12
Special	2
Total	<u>14</u>

## **STANDING COMMITTEES**

TOWN PLANNING BUILDING & DEVELOPMENT .....	9
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## **OFFICERS OF THE COUNCIL**

The Principal Officer of the Council as at the end of 2009 was:

Chief Executive Officer	Ms Preeya Ieli
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Other Support Staff were as follows:

Building Inspector	Ashwant Prasad
Health Inspector	Eseta Leawere
Personal Assistant/Secretary	Nerolyn L Nofaga
Senior Accounts/Revenue Officer	Laisani Raikoti
Enforcement Officer	Jonetani Suguturaga
Town Ranger/Market Master	Petaia Vuli
Administrative Assistant	Saiyad Kutty
Works Supervisor	John S Pickering
Assistant Works Supervisor	Raneel Kumar Datt
Computer Operator	Naleem Raj
Accounts Officer	Yadhna Sharma
Tea Lady/Office Assistant	Atelini Lewasau

from 1<sup>st</sup> January 2009

With 18 other unestablished employees engaged in field works.



## **TRAINING AND EDUCATION**

<b>NAME</b>	<b>TRAINING / EDUCATION / WORKSHOPS</b>
Preeya Ieli	MBA - USP ILO workshop - reproductive Town Planning Workshop
Nerolyn Nofaga	Diploma FIT Office Administration In house workshop – office procedures
Laisani Raikoti	ILO workshop – reproductive B/A – Major Law & Management & Public Administration Civil Law – certificate – completed In house workshop – office procedures Town Planning workshop
Jonetani Suguturaga	ILO workshop – reproductive In house workshop – office procedures OHS Workshop
Ashwant Prasad	ILO workshop – reproductive Auto CAD stages 1-3 – TPAF EIA – Department of Environment Developing Town Planner Assistant–TAFE - CLGF In house workshop – office procedures Town Planning workshop
Eseta Leawere	ILO workshop – reproductive EIA – Department of Environment Developing Town Planner Assistant–TAFE – CLGF In house workshop – office procedures Town Planning workshop
John Pickering	ILO workshop – reproductive In house workshop – office procedures
Petaia Vuli	In house workshop – office procedures
Yadhna Sharma	In house workshop – office procedures OHS workshop
Naleem Raj	In house workshop – office procedures
Saiyad Kutty	In house workshop – office procedures
Ateleini Lewasau	In house workshop – office procedures
Raneel Datt	In house workshop – office procedures

## **SOLICITORS FOR THE COUNCIL**

Messrs Muaror & Co, Nawaikula ESQ, Valenitabua S R ESQ, Shekinah Law, Tevita Fa & Associates and Xtreme Debt Collectors were appointed as the Councils Solicitors for the year.

## **AUDITOR FOR THE YEAR**

Auditor-General of Fiji by virtue of Section 51 of the Local Government Act.

## **FINANCE**

### **FUND BALANCES**

A summary of the results of each fund for the year were as follows:

	REVENUE	EXPENDITURE	SURPLUS/DEFICIT	AS AT 31 DECEMBER
GENERAL	1,428,853	1,010,054	418,799	3,584,902
FIRE	-	-	-	-
LOAN	130,416	43,420	86,996	1,277,750
	1,559,269	1,053,474	505,795	4,862,652

## **RATES**

The Council has 40 rates files on unelinated Native Land that belongs to NLTB. The total sum till 2009 is \$4,310,828.00

The Council has engaged Nawaikula ESQ to take legal action against NLTB for the recovery of the rates. The case is with the High Court.

Vat inclusive rate levy for the year 2009 was:

General rates	-	0.75689 cents in the \$ on the UCV
Special Loan rates	-	0.40756 cents in the \$ on the UCV

## **RATES – Small Claims Tribunal**

The Council lodged 67 rates files in arrears below \$5,000.00 to Small Claims Tribunal.

## **DISCOUNT ON RATES**

In 2009 a discount of 7% in January to February and 5% in March on the rates struck for the year was granted in the event of full payment inclusive of arrears made from January, 2009 to 31<sup>st</sup> March, 2009. Total discount shown as a note in the accounts amounted to \$23,494. During the year the combined general and loan services rates were budgeted to earn \$648,947 out of which the Council was able to collect 76.74% of its current rates, which amounted to \$497,992 out of the total revenue of \$1,559,269 collected during the year.

## **GARBAGE FEES**

The Council levied Garbage fees of \$80.00 per annum with effect from 1 August 2008.

## **ARREARS OF REVENUE**

The Council's arrears of rates inclusive of interest charges at the end of 2009 was \$6,010,140. The Council had looked at all the avenues of rate collection currently in place and had opted for various methods in the Court, deduction at source, recovery from mortgage sale, attornment of leases, arrangement to pay on installments and offering discount etc.

## **LOAN FUND**

During the year loan repayments inclusive of interest charges totaling \$44,976 were made reducing the principal balance at the end of 2009 to \$465,816. The opening balance at the beginning of the year was \$510,092.

## **FINANCE LEASE REPAYMENTS**

The loan repayment for council's admin vehicle inclusive of interest charges totaling \$12,225 was made reducing the principal balance at the end of 2009 to \$15,282. The opening balance at the beginning of the year was \$27,507.

## **CASH FLOW**

The Council had a deficit balance of (\$37,782) at the close of the year and has been funding its capital projects from its re-current revenue.

## **ROLE OF COUNCIL**

The Council continued to carry out its role and responsibilities as required under the Local Government Act (1972). The Council discharged its duties and responsibilities delegated through several other legislations such as Public Health Act (Cap III), Town Planning Act (Cap 139), Business Licensing Act (Cap 204), Fair Rents Act (Cap 269), Advertisements Regulations Cinematography Films Act (Cap 195), Petroleum Act (Cap 157), Pound Act (Cap 165), Pure Food Act (Cap 116), Shop (regulation of hours and employment) Act (Cap 100), Subdivision of Lands Act (Cap 140), Land Transport Act and Litter Decree/Amendment Act.

## **CAPITAL EXPENDITURE**

Capital Expenditure totaling \$138,951 was used for the following works:

1. \$6,383 for Buildings & Property;
2. \$2,723 was for Office Equipment;
3. \$128,609 was for Roads & Streetlights; and
4. \$1,236 was for Plant & Equipment.

## **PUBLIC WORKS SERVICES**

### **ROADS & DRAINS**

The Council continued with routine maintenance of road repairs and maintenance works in within its budget. Normal routine services and maintenance such as garbage/refuse collection, grass cutting desilting and cleaning of public road/drains, clean-up campaigns, mowing of road verges, parks and upkeep of gardens were carried out throughout the year.

### **PARKS/GARDENS/OPEN SPACES**

Routine maintenance work were carried out during the year to keep the parks and reserves in a good environmental condition.

Planting of trees and flowers was also undertaken in residential, commercial and industrial areas as part of ongoing beautification of the town and to keep up with the image of Lami being a “Garden Town”.

## **PUBLIC HEALTH/ENVIRONMENT, BUILDING AND SUBDIVISION**

### **INTRODUCTION**

In this area, the Council performed its responsibilities under the guidance of the following legislation:

- a) Public health Act and its Regulations
- b) Pure Food Act and its Regulations
- c) Anti Litter Decree/Amendment Act
- d) Town Planning Act
- e) Local Government Act and its Regulation
- f) Lami Town By-Laws
- g) Lami Town Planning Scheme and its General Provision
- h) Subdivision of Land Act
- i) Business Licensing Act
- j) Liquor Act

The Council was able to maintain the public health and development standard at a reasonably level.

### **SERVICES**

In addition to the duties under the Public Health Act the Council provided the residents of Lami with the following sanitary services:

#### **1. Public Health/Environment Services**

Refuse Collection: demand for frequent refuse (Green waste) collection. People tend to start heaping them on the roadside. This becomes potential breeding grounds for vermin and eyesore.

#### **2. Anti-Mosquito**

House to house inspection and issuing notice to remove/abate breeding grounds is the only solution.

#### **3. Litter Decree**

The Council had employed an Enforcement Officer who went around issuing notices etc in order to curb the nuisance.

## **COMMUNICABLE DISEASE**

Lami Town Council has not received any report during this year of the incidence of communicable disease in Lami Town.

### **a) Summary of Inspection**

<b>Types of Premises Inspected</b>	<b>Ordered</b>	<b>Completed</b>
Repairs, cleaning of hotel, boarding houses	5	5
Illegal Structures	4	3
Accumulation of refuse referred to contractor for removal	8	6
Cleaning of overgrowth of grass	13	8
Improvements of Drains	8	8
Repairs & Improvements of food processing factory	5	5
Abatement of nuisance for sewer overflow	2	2
Repairs to water mains – referred to PWD	3	2
Removal of provision of garbage pans	3	3
Abatement of Nuisance from animals	7	6
Repairs, cleaning of restaurants / refreshment bars	10	10
Improvements of hairdressers	4	3
Supermarkets, markets, greengrocers	18	12
Improvements of Bakehouse	14	8
<b>Total</b>	<b>104</b>	<b>81</b>

### **b) Registration of Food Premises**

Refreshment Bar	4
Bake House	7
Hotels	1
Kava Pounding	2
Restaurants without Liquor	5
Restaurants with Liquor	3
Food Processing Factories	9
Butcher Shops	1
Meat Canning	2
Supermarket	4
Exporting of Fish	2

Food Shop	22
Food Exporter	3
Hawkers	10
Ice Factory	1
<b>Total</b>	<b><u>79</u></b>

## **TOWN BEAUTIFICATION PROJECT**

The Council in association with Consumer Council of Fiji conducted educational health awareness program in which 5 primary schools within Lami were the target groups of this awareness. There were positive response from the Schools which participated in the Programme. The 5 schools took part in Vegetable Growing Competition to see which school grow the most healthy vegetables.

To continue beautification & cleaning of the garden town the Council requested funding through CLGF as it is an ongoing project from year 2007 to achieve Councils strategy of enhancing Civic pride in Lami.

In maintaining the hygiene and cleanliness of the Central Business District (CBD) pesticide control spraying was also done to control vermin's and insects within the facilities especially with eateries.

All business houses were advised to adhere to the requirements for renewal of business license for the year 2010 such as Waste Permit from department of Environment, OHS Certificate, National Fire Authority Certificate and Floor plan only for new business.

## **ENFORCEMENT**

The Council together with LTA and Lami Police conducted operations within the Lami Town area on a weekly basis to curb the problem of traffic violation.

Council monitors the roads, footpaths and drains in case of any damaged by any companies they are liable to repair at their own cost.

## **TRAFFIC**

The Council has recently upgraded two roads namely Fenton Street and Vetaia Street within the town centre. The Traffic Department is in the process to carry out the road markings and installation of traffic signs for Parking and No Parking Provisions. A parking meter proposal within the town centre is currently in progress and discussions are underway with respective authorities for implementation.

The Council has also identified three locations for new taxi stand. Submissions to LTA have been undertaken for approval subject to high demand of taxi services within the town area and outer suburbs of Lami.

## **STREETLIGHTS FOR SETTLEMENTS**

The Council has undertaken the streetlight project for settlements within Lami that was funded by Ministry of Regional Development. The project was successfully completed.

The Council has undertaken the streetlight project for settlements within Lami area that was funded by Ministry of Regional Development. The project was successfully completed.

The project area was Kalekana, Matata, Motusa, Nadonumai, Naisogowaluvu, Waigasa, Wailekutu (stage 1) and Yadrana settlement.

This project will help the settlements with their safety and security at night.

Not all settlements have services such as electricity, water and access available and live without proper sanitation.

## **TOWN PLANNING – BUILDINGS**

Some projects under building department are as follows:

<b>Town Planning &amp; Building Plan</b>	<b>Progress</b>	<b>Budget</b>
Foreshore reclamation	<ul style="list-style-type: none"><li>• Fishing right and Qoliqoli paid to Lands Department.</li><li>• Awaiting lease from Lands department</li></ul>	\$150,000
E-Library	<ul style="list-style-type: none"><li>• Feasibility studies under process.</li><li>• Designing Concept Plan</li></ul>	\$50,000
Council – Bure	<ul style="list-style-type: none"><li>• Plan approved</li><li>• Costing for Bure</li><li>• Looking for sponsorship</li></ul>	\$20,000

### **c) Summary of Building Applications**

Building applications dealt with during the year:

<b>Type of Application</b>	<b>Number</b>	<b>Value(\$)</b>
New Commercial & Industrial	7	4,854,225
New Residential Buildings	4	285,683
Additional/Alterations/Repairs to Industrial Buildings	6	337,656
Additional/Alterations/Repairs to Residential Buildings	11	534,122
<u>Miscellaneous</u> Retaining Wall/Fence	6	246,743



Sewer Connection/Underground  
Cabling

School Building etc

0

**Total**

**34**

**6,258,429**

## **INDUSTRIAL RELATIONS**

The Council maintained good relationship with its management, employees and no disputes were registered with the Trade Unions.

## **PUBLIC RELATIONS AND PARTICIPANTS**

Public relations with ratepayers and the general public were of paramount importance to the Council and as such it dealt with matters of general concern and interest as expeditiously as possible.

## **OBSTACLES FACED BY THE COUNCIL**

**Foods Pacific Limited** is currently using one of the parks in the industrial area as an illegal container yard. Despite numerous Councils notices, notices from NLTB and legal action enforced by the Council, Food Pacific is still not removing the illegal containers and therefore Council taking them to Court. The Military Council was also informed for their assistance.

NLTB owes Council \$3.6 million dollars as rates arrears. Despite Councils numerous attempts and dialogue NLTB has failed to negotiate and therefore pending legal action is now pursued.

The case was forwarded to Nawaikula ESQ. However, the Ministry of Local Government has informed that there will be a cabinet paper on NLTB rates arrears presented by them.

## **ACKNOWLEDGEMENT**

Council's would like to thank the Management, Staff and General Workers for their outstanding work they have carried out.

**REPUBLIC OF THE FIJI ISLANDS**  
**OFFICE OF THE AUDITOR GENERAL**



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Suva, Fiji Islands.



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

File: 1295

24 August 2010

Mr. Chandra Kant Umariya  
The Administrator  
Lami Town Council  
Lami

Dear Mr. Umariya

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**AUDIT OF THE ACCOUNTS OF THE LAMI TOWN COUNCIL FOR THE YEAR ENDED 31 DECEMBER  
2009**

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Two copies of the audited financial statements of the Lami Town Council for the year ended 31 December 2009 together with an audit report on them are enclosed.

A copy of the audit report is being sent to the Minister for Local Government, Urban Development, Housing and Environment in accordance with section 53 of the Local Government Act.

Particulars of errors and omissions arising from the audit have been forwarded to the Chief Executive Officer for necessary action.

Yours sincerely

Tevita Bolanavanua  
**AUDITOR GENERAL**

cc: Minister for Local Government, Urban Development, Housing & Environment  
Mrs. Preeya Ieli, Chief Executive Officer for Lami Town Council

Encl.

**25 AUG 2010**



**REPUBLIC OF THE FIJI ISLANDS**  
**OFFICE OF THE AUDITOR GENERAL**



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ACCOUNTABILITY IN THE PUBLIC SERVICE SECTOR THROUGH QUALITY AUDIT SERVICES

**LAMI TOWN COUNCIL**

**ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2009**

**INDEPENDENT AUDIT REPORT**

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**Scope**

I have audited the financial statements of the Lami Town Council for the year ended 31 December 2009 in accordance with Section 57 (2) of the Local Government Act and Section 13 of the Audit Act. The Lami Town Council is responsible for the preparation and presentation of the financial statements and the information they contain.

I have conducted an independent audit of these financial statements in order to express an opinion on them.

My audit was conducted in accordance with the Fiji Standards on Auditing to provide reasonable assurance as to whether the financial statements are free of material misstatements. My audit procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements and the evaluation of accounting policies. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with the Fiji Accounting Standards and the statutory requirements so as to present a view which is consistent with my understanding of the Council's financial position, the result of its operations, and its cash flows.

The audit opinion expressed in this report has been formed on the above basis.

**Qualifications**

1. The Council has not provided a provision for doubtful debts for its Rates Debtors totaling \$6,010,140 as at 31 December 2009. If a charge of doubtful debt was recorded, it would result in a decrease of net surplus in the Statement of Income and Expenditure of General Fund.
2. The Council did not provide a Fixed Assets Register for audit; therefore Property, Plant and Equipment totaling \$15,938,052 and Depreciation Expense totaling \$253,186 for 2009 could not be substantiated.

**Qualified Audit Opinion**

In my opinion, because of the effect of the matter discussed in the qualification paragraphs, the financial statements do not present fairly the financial position of the Lami Town Council as at 31 December 2009 and the result of its operations for the year then ended.



Tevita Bolanavanua  
**AUDITOR GENERAL**

Suva, Fiji

24 August 2010







ACCOUNTABILITY IN THE PUBLIC SECTOR  
THROUGH QUALITY AUDIT SERVICES

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# LAMI TOWN COUNCIL

## 2009 AUDITED ACCOUNTS

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**LAMI TOWN COUNCIL**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2009**

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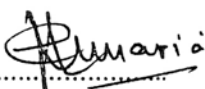
LAMI TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2009


	Notes	31 December 2009 S	31 December 2008 S
<b><u>CURRENT ASSETS</u></b>			
Cash on Hand		100	100
Cash at Bank		-	17,713
Receivables	2	6,065,026	5,454,647
VAT Receivable		330	2,042
Sundry Advance		2,874	2,874
<b>Total Current Assets</b>		<b>6,068,330</b>	<b>5,477,376</b>
<b><u>NON CURRENT ASSETS</u></b>			
Property, Plant and Equipment	6	15,938,052	16,052,287
<b>Total Non Current Assets</b>		<b>15,938,052</b>	<b>16,052,287</b>
<b>TOTAL ASSETS</b>		<b>22,006,382</b>	<b>21,529,663</b>
<b><u>CURRENT LIABILITIES</u></b>			
Bank Overdraft	13 (a) (ii)	37,882	484
Creditors	3	147,732	146,976
Provision for Employee Entitlement	3	10,737	12,646
Sundry Deposits	4	37,233	32,633
Rates & Businesses Licenses received in advance	5	6,107	8,983
Loan funds less repayments (current year)	7	44,976	42,368
Finance Lease	8	15,282	27,507
<b>Total Current Liabilities</b>		<b>299,949</b>	<b>271,597</b>
<b><u>NON CURRENT LIABILITIES</u></b>			
Loan funds less repayments	7	420,840	467,724
Deferred Income		100,162	110,706
<b>Total Non Current Liabilities</b>		<b>521,002</b>	<b>578,430</b>
<b>TOTAL LIABILITIES</b>		<b>820,951</b>	<b>850,027</b>
<b>NET ASSETS</b>		<b>21,185,431</b>	<b>20,679,636</b>
<b>Represented By :</b>			
<b>RESERVES AND EQUITY</b>			
Asset Revaluation Reserve		16,322,779	16,322,779
Accumulated Funds	9	4,862,652	4,356,857
		<b>21,185,431</b>	<b>20,679,636</b>

(The accompanying notes are to be read in conjunction with the Financial Statements)

**Council's Statement**

In our opinion, the financial statements have been drawn up so as to give a true and a fair view of the state of affairs, operations and cash flows of the Lami Town Council for the year ended 31 December 2009.

  
.....  
Mr. Chandra Kant Umaria  
Special Administrator  
Date: 19/8/10

  
.....  
Mrs Preeya Ieli  
Chief Executive Officer  
Date: 18/8/10



LAMI TOWN COUNCIL  
GENERAL FUND ACCOUNT  
STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	31 December 2009 \$	31 December 2008 \$
<b><u>REVENUE DERIVED FROM :</u></b>			
General Rates	10	367,576	390,849
Arrears of Rates		629,614	447,496
Interest on Overdue rates		71,488	96,309
License and Permit Fees		45,374	47,444
Market Fees		19,446	18,443
Hire& Rental of Council Properties		74,050	59,386
Contractual Receipts	11	44,822	30,601
Miscellaneous		12,482	30,451
Garbage Fees	12	93,928	37,005
Stand Fees		15,808	14,903
Photocopy		224	226
Advertising		7,941	4,963
Challenge Fund for Tikaram Park		35,556	68,656
Amortisation of Deferred Income		10,544	10,544
<b>Total Revenue</b>		<b>1,428,853</b>	<b>1,257,276</b>
<b><u>EXPENDITURE INCURRED ON :</u></b>			
<b><u>Recurrent Expenditure</u></b>			
Depreciation		253,186	251,127
Council Expenses		10,108	42,030
General Administration		267,825	256,012
Parks,Gardens and Recreation areas		12,959	13,253
Health Services		154,994	159,029
Enforcement Services		15,788	-
Public Works and Services		295,194	335,810
<b>Total Expenditure</b>		<b>1,010,054</b>	<b>1,057,261</b>
<b>Net Surplus for the year</b>		<b>418,799</b>	<b>200,015</b>
<b>Add (Surplus/Deficit) Balance as at 1 January</b>		<b>3,166,103</b>	<b>2,966,088</b>
<b>Leaving a Surplus Balance at 31 December</b>		<b>3,584,902</b>	<b>3,166,103</b>

LAMI TOWN COUNCIL  
SPECIAL LOAN SERVICE ACCOUNT

STATEMENT OF REVENUE & EXPENDITURE FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	31 December 2009 \$	31 December 2008 \$
<b>Revenue Derived From:</b>			
Special Loan Rates		130,416	117,148
<b>Total Revenue</b>		<u>130,416</u>	<u>117,148</u>
<b>Expenditure Incurred On:</b>			
Interest On Loan		43,420	46,528
<b>Total Expenditure</b>		<u>43,420</u>	<u>46,528</u>
<b>Net Surplus for the year</b>		86,996	70,620
<i>Add : Surplus Balance as at 1 January</i>		1,190,754	1,120,134
<b>Surplus balance at 31 December of</b>		<u>1,277,750</u>	<u>1,190,754</u>

LAMI TOWN COUNCIL  
STATEMENT OF CASH FLOWS - GENERAL FUND FOR  
THE YEAR ENDING 31 DECEMBER 2009

	Notes	31 December 2009 \$	31 December 2008 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from customers		973,290	932,098
Payments to suppliers and employees		(753,293)	(767,568)
Rates received in advance		(2,876)	(641)
Net VAT paid		(66,236)	(42,479)
<b>Net cash provided by Operating Activities</b>	<b>13(a)(i)</b>	<b>150,885</b>	<b>121,410</b>
<b>Cash flows from Investing Activities</b>			
Acquisition of property, plant & equipment		(138,951)	(14,005)
<b>Net cash used in Investing Activities</b>		<b>(138,951)</b>	<b>(14,005)</b>
<b>Cash flows from Financing Activities</b>			
Repayment of borrowings		(67,045)	(53,393)
<b>Net cash provided by Financing Activities</b>		<b>(67,045)</b>	<b>(53,393)</b>
<b>Net Decrease in Cash &amp; Cash Equivalents</b>		<b>(55,111)</b>	<b>54,012</b>
Cash and Cash Equivalent at the Beginning of the Year		17,329	(36,683)
<b>Cash and Cash Equivalent at the End of the Year</b>	<b>13(a)(ii)</b>	<b>(37,782)</b>	<b>17,329</b>

**LAMI TOWN COUNCIL**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR**  
**THE YEAR ENDING 31 DECEMBER 2009**

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**Note 1    Summary of Significant Accounting Policies**

Set out hereunder are the significant accounting policies adopted by the Council in the preparation of the accounts for the year ended 31 December 2009. Unless otherwise stated, similar policies were adopted in the previous year.

**a) Basis of Accounting**

The accrual basis of accounting is adopted for all financial transactions.

**b) Fixed Assets and Depreciation**

*Acquisition*

Items of property, plant and equipment are stated at cost less accumulated depreciation as at balance date. The cost of self constructed assets includes the cost of materials, direct labour and an appropriate proportion of overheads.

*Depreciation*

Depreciation has been provided using straight line method to write off the assets over their useful lives.

The principal rates adopted are:

Office Equipment	10% per annum
Furniture & Fittings	10% per annum
Plant and Machinery	8% per annum
Motor Vehicle	8% per annum
Buildings, Roads & Bridges	1.25% per annum

**c) Revenue**

Revenue is recognised in the Statement of Income and Expenditure when charged to the ratepayers by the Council. The major sources of revenues are collections from general rates, loan rates, and rental income from the Council properties.

**d) Income Tax**

The Council is exempted from income tax in accordance with the provisions of section 17(4) of the Income Tax Act (Cap 201).

LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDING 31 DECEMBER 2009 (Continued...)

	31 December 2009 \$	31 December 2008 \$
<b>Note 2    <u>Debtors</u></b>		
Rates Debtors	6,010,140	5,418,595
Garbage Fee Debtors	35,115	28,914
Other Debtors	19,771	7,138
	<u>6,065,026</u>	<u>5,454,647</u>
Of the total Rates arrears the sum of \$3,660,636 or 61% inclusive of interest, is due on unalienated native land.		
<b>Note 3    <u>Creditors and Accruals</u></b>		
Sundry Creditors	147,732	146,976
Provision for Employee Entitlement	10,737	12,646
	<u>158,469</u>	<u>159,622</u>
<b>Note 4    <u>Sundry Deposits</u></b>		
Sundry Deposits	37,233	32,633
	<u>37,233</u>	<u>32,633</u>
<b>Note 5    <u>Rates, Business Licence, and Taxi Base fees received in advance</u></b>		
Rates Received in Advance	5,213	8,140
Business Licence Prepayments	264	383
Taxi Base Fees Received in Advance	630	461
	<u>6,107</u>	<u>8,984</u>

LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDING 31 DECEMBER 2009 (Continued...)

	31 December 2009 \$	31 December 2008 \$
<b>Note 6    <u>Property, Plant &amp; Equipment</u></b>		
Land	962,931	962,931
Less: provision for depreciation	-	-
	<u>962,931</u>	<u>962,931</u>
Office Equipment	58,427	55,704
Less: provision for depreciation	(33,646)	(27,803)
	<u>24,781</u>	<u>27,901</u>
Furniture & Fittings	9,841	9,841
Less: provision for Depreciation	(6,492)	(5,508)
	<u>3,349</u>	<u>4,333</u>
Motor Vehicles	408,480	408,480
Less: provision for depreciation	(267,197)	(234,519)
	<u>141,283</u>	<u>173,961</u>
Building & Properties	560,578	554,195
Less: provision for depreciation	(51,761)	(44,754)
	<u>508,817</u>	<u>509,441</u>
Roads & Streetlights	15,741,150	15,612,541
Less: provosion for depreciation	(1,451,167)	(1,254,403)
	<u>14,289,983</u>	<u>14,358,138</u>
Plant & Equipment	123,872	122,636
Less: provision for depreciation	(116,964)	(107,054)
	<u>6,908</u>	<u>15,582</u>
<b>Net Written Down Value</b>	<u><b>15,938,052</b></u>	<u><b>16,052,287</b></u>

LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDING 31 DECEMBER 2009 (Continued...)

	31 December 2009 \$	31 December 2008 \$
<b>Note 6(i) <u>Movement in Carrying Amounts</u></b>		
Movement in carrying amounts for each class of property, plant and equipment.		
<b><u>Office Equipment</u></b>		
Carrying amount at beginning	27,901	30,804
Additions	2,723	2,667
Depreciation Expense	(5,843)	(5,570)
Balance as at 31 December	24,781	27,901
<b><u>Furniture &amp; Fittings</u></b>		
Carrying amount at beginning	4,333	4,375
Additions	-	942
Depreciation Expense	(984)	(984)
Balance as at 31 December	3,349	4,333
<b><u>Motor Vehicles</u></b>		
Carrying amount at beginning	173,961	206,639
Additions	-	-
Depreciation Expense	(32,678)	(32,678)
Balance as at 31 December	141,283	173,961
<b><u>Buildings &amp; Properties</u></b>		
Carrying amount at beginning	509,441	507,061
Additions	6,383	9,307
Depreciation Expense	(7,007)	(6,927)
Balance as at 31 December	508,817	509,441
<b><u>Roads &amp; Streetlights</u></b>		
Carrying amount at beginning	14,358,138	14,552,206
Additions	128,609	1,089
Depreciation Expense	(196,764)	(195,157)
Balance as at 31 December	14,289,983	14,358,138
<b><u>Plant &amp; Equipment</u></b>		
Carrying amount at beginning	15,582	25,393
Additions	1,236	-
Depreciation Expense	(9,910)	(9,811)
Balance as at 31 December	6,908	15,582
<b><u>Land</u></b>		
Carrying amount at beginning	962,931	962,931
<b>Net Written Down Value</b>	<b>15,938,052</b>	<b>16,052,287</b>

LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDING 31 DECEMBER 2009 (Continued...)

	31 December 2009 \$	31 December 2008 \$
<b>Note 7    <u>Loan Funds Less Repayments</u></b>		
Loan raised by the Council bear interest ranging from 8.5% to 11.75% per annum and are repayable over a period of 10 years. All loans are raised under the provisions of the Local Government Act, and are secured by debentures covering the present and future assets of the Council.		
Balance as at 1 January	510,092	551,260
Add: Bank Fee	700	1,200
Less: Loans Repaid	(44,976)	(42,368)
<b>Balance as at 31 December</b>	<b>465,816</b>	<b>510,092</b>
 <b>Analysed as:</b>		
Current	44,976	42,368
Non Current	420,840	467,724
	<b>465,816</b>	<b>510,092</b>
 <b>Note 8    <u>Finance Lease Repayments</u></b>		
Opening Balance	27,507	39,732
	27,507	39,732
Less: Repayments	(12,225)	(12,225)
	<b>15,282</b>	<b>27,507</b>
 <b>Note 9    <u>Accumulated Funds</u></b>		
General Fund	3,584,902	3,166,103
Special Loan Service	1,277,750	1,190,754
<b>Balance as at 31 December</b>	<b>4,862,652</b>	<b>4,356,857</b>



LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDING 31 DECEMBER 2009 (Continued...)

	31 December 2009 \$	31 December 2008 \$
<b>Note 10 <u>Discount on Rates</u></b>		
In accordance with Council resolution of December, 2008 discount of 7% was allowed on current rates paid in full up to 28 February, 2009 and 5% on current rates paid up to 31 March, 2009. Discount allowed during the year were as follows:		
General Fund	18,286	25,915
Special Loan Fund	5,208	-
<b>Total</b>	<b>23,494</b>	<b>25,915</b>
<b>Note 11 <u>Contractual Receipts</u></b>		
The amount represents recoveries from Public Works Department for expenditure contractually incurred by the Council on the maintenance of Marine Drive and Nasevou Street.		
<b>Note 12 <u>Garbage Fees</u></b>		
The Council levied Garbage Fees of \$80 per annum with effect from 1 August 2008.		
<b>Note 13 <u>Notes to the Statement of Cash Flows</u></b>		
(a) <u>General Fund</u>		
(i) <u>Reconciliation of Net Cash Provided by Operating Activities of Net Surplus</u>		
Net (deficit)/surplus for the year	505,795	268,673
Depreciation	253,186	251,127
<b>Net cash provided by operating activities before changes in Assets and Liabilities</b>	<b>758,981</b>	<b>519,800</b>
Change in assets and liabilities:		
Increase in receivables	(610,379)	(443,064)
Increase in creditors and borrowings	(1,153)	41,748
Decrease in sundry deposits	4,600	2,111
Decrease in Value Added Tax	1,712	1,456
Decrease in rates received in advance	(2,876)	(641)
<b>Net cash Inflows from Operating Activities</b>	<b>150,885</b>	<b>121,410</b>
(ii) <u>Cash &amp; Cash Equivalents</u>		
For the purpose of the statement of cash flows, cash comprises of cash on hand and at bank. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on Hand	100	100
Cash at Bank	-	17,713
Bank Overdraft	(37,882)	(484)
	<b>(37,782)</b>	<b>17,329</b>

LAMI TOWN COUNCIL  
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR  
THE YEAR ENDING 31 DECEMBER 2009 (Continued...)

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**Note 14**   **Principal Activities**

The Lami Town Council was established under the Local Government Act (Cap 125 Rev 1985) and Section 5 of the Subsidiary Legislation. The Council was established after being declared a town in 1977. Currently it has a total of over 1,150 ratepayers and rateable properties in the town.

The Council is responsible for the provision and maintenance of a wide range of services for the benefit of the ratepayers within the defined town boundaries. Such services are financed through rates, fees and service charges. All capital projects are financed via external loans, which are repaid by the Council using a special loan rate levied to the ratepayers.

Apart from these services and others as required by the Local Government Act, the Council also provides other services such as collection of garbage refuse, free clean up services, advice on matters relating to health, environment and landscaping, provision for small projects (bus shelters and mini markets), and liaising with relevant ministries and departments or non government organisation to assist ratepayers concerns in terms of town beautification, small projects or even information gathering.

**Note 15**   **Council Details**

**(i)** Registered Office and Principle Place of Operation

The registered office and principal place of operation of the Council is located at:

59 Marine Drive  
GPO Box 3160  
Lami

**(ii)** Staff Establishment

As at balance date, total of 39 employees were employed by the Council.

